



# County Auditors' Association of Ohio

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Good afternoon, Chair Blessing, Co-Chair Roegner, Ranking Member Smith and members of the Senate Ways and Means Committee. My name is David Graham, and I am submitting written testimony on behalf of the County Auditors' Association of Ohio. I want to begin by commending Senator Blessing and Senator Craig on this important piece of bipartisan legislation. As we have all come to know, property taxes have become a growing topic of concern amongst Ohioans as we have seen them rise over the last few years, and this legislation is a crucial step to providing Ohio homeowners some relief.

As Franklin County Auditor Stinziano highlighted in our testimony before the Joint Committee on Property Tax Review and Reform, an income-based circuit breaker is a great tool to protect individuals who see sudden property tax swings and is part of meaningful property tax reform offered by the CAAO. While we support SB 271, this is a small part of the overall tax reform that is needed for Ohioans and we encourage legislators to look at comprehensive reforms offered by the CAAO before the Joint Committee on Property Tax Review and Reform to create more relief.

The circuit breaker model in SB 271 allows for a refundable income tax credit based on the percentage of property tax to homeowner's total income. This program would expand upon existing assistance the State currently provides under the Homestead, Non-Business and Owner Occupancy property tax credit programs.

Policy Matters Ohio and the Institute on Taxation and Economic Policy have shared a model that estimates one sixth of Ohio taxpayers will benefit from this circuit breaker in SB 271. This would mean almost 2 million Ohioans would receive some property tax relief, almost 75 percent of whom have incomes under \$45,000. This model would kick in when an individual has paid five percent of their income in property taxes.

As we shared in our testimony before the Joint Committee on Property Tax Review and Reform, it is the County Auditors' Association of Ohio's position that any circuit breaker program in Ohio should include the following:

- A refundable tax credit on a state income tax with simplified filing options for those who are eligible but would otherwise not file income tax.
- Eligibility for owner occupied property and ideally renters with property tax calculated as a portion on rent.
- Amount of benefit can be higher for lower income levels and phase out at higher income levels
- Cost to the state will be directly proportional to need.
  - Many states include a cap on the benefit for any one individual which could work if paired with other program options like deferrals or increased homestead or owner-occupied benefits.

You will hear a more in-depth testimony from Franklin County Auditor Stinziano's office today, but we wanted it to be clear that the County Auditors' Association of Ohio supports this legislation.

I thank you for your time and I can be made available if you have any questions for the Association.